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# A BILL FOR AN ACT

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RELATING TO THE DEPARTMENT OF HUMAN SERVICES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. Chapter 103F, Hawaii Revised Statutes, is  
2       amended by adding a new section to part I to be appropriately  
3       designated and to read as follows:

4       "§103F-       Medicaid contracts; health care insurance plan  
5       contractors; reimbursements to home and community-based case  
6       management agencies.   (a)   In any contract entered into with a  
7       medicaid healthcare insurance plan contractor that provides  
8       reimbursement to home and community-based case management  
9       agencies, the department of human services shall include  
10       contract provisions that specify the duties and obligations of  
11       the medicaid health care insurance plan contractor to the home  
12       and community-based case management agency, as follows:

13       (1)   When renewing a policy with a home and community-based  
14       case management agency, the medicaid healthcare  
15       insurance plan contractor shall not reduce  
16       reimbursement rates to the home and community-based  
17       case management agency in excess of ten per cent of

1           the reimbursement rates in effect under the expiring  
2           policy with the home and community-based case  
3           management agency;

4       (2) Paragraph (1) shall not apply if the reduction in  
5       reimbursement rates is necessary to ensure the  
6       following:

7           (A) The clients' access to, or choice of, a home and  
8           community-based case management agency; or

9           (B) The prevention of a substantial and foreseeable  
10          risk of harm to clients; and

11       (3) The medicaid healthcare insurance plan contractor  
12       shall not enter into, or renew, any policy with a home  
13       and community-based case management agency unless the  
14       policy contains maximum reimbursement levels for chore  
15       services and non-emergency medical transportation.

16       (b) For the purposes of this section, the terms "client"  
17       and "home and community-based case management agency" shall have  
18       the same meanings ascribed to them under section 346-331."

19       SECTION 2. This Act does not affect rights and duties that  
20       matured, penalties that were incurred, and proceedings that were  
21       begun before its effective date.

22       SECTION 3. New statutory material is underscored.

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1           SECTION 4.   This Act shall take effect upon its approval.

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**Report Title:**

Department of Human Services; Medicaid Contracts

**Description:**

Requires medicaid contracts between the department of human services and medicaid healthcare insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the medicaid healthcare insurance plan contractors and the home and community-based case management agencies. Prohibits reductions of reimbursements of more than 10%. (SD1)

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